



GOVERNANCE, RISK & REGULATION

CRITICAL THINKING
AT THE CRITICAL TIME™

Firms operating in today's increasingly **competitive environment**, under relentless media scrutiny, must **work harder** than ever to protect and enhance their reputations, whilst addressing **constant regulatory changes** and pressures. **Robust corporate governance, risk identification** and **risk management** arrangements are key differentiators of successful firms.

Governance, **Risk & Regulation**

FTI Consulting's Governance, Risk & Regulation (GRR) team works with clients to ensure they meet regulatory obligations, implement robust systems and controls, and provide confidence to all key stakeholders that their business is well-controlled.

A TRUSTED ADVISOR

Clients benefit from our practical and commercial advice. We deliver insights and solutions, including:

- identifying and addressing potential and known issues
- understanding how their own practices benchmark against the market
- reacting to firm-specific regulatory requests or preparing for regulatory interventions
- responding to industry-wide regulatory events, including thematic reviews
- providing a sounding board on sensitive matters

We build long-term relationships – every client to date has engaged us on a repeat assignment.

DEPTH OF INDUSTRY EXPERIENCE

GRR is led by senior executives with first-hand industry, regulator and consulting experience, which ensures we:

- understand the challenges our clients face, including leadership, management, technology and the pressures of managing conflicting priorities
- can assist firms in effectively managing regulator relationships and interpreting their expectations
- provide advice that is built on rigorous analysis and robust evidence, based on FTI's litigation and forensic heritage

We strive to be the consultants we sought when we were in industry.

RECOGNISED CAPABILITIES

Our capabilities are recognised by the UK's Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA), having been appointed to several of the Skilled Person Panels.

These recognised capabilities are testament to our deep understanding of the changing financial services regulatory environment. From compliance experts to accountants and economists, our multi-disciplinary team combines this leading industry knowledge with expertise in Skilled Person Reviews.

We help clients mitigate risk, ensure compliance, and address and resolve regulatory inquiries.

A reliable partner

Clients turn to us when they want a partner who understands the expectations of regulators and other stakeholders, has knowledge of good market practices and provides bespoke, practical and sustainable solutions.

WHO WE WORK WITH

We work with boards, senior executives and risk and compliance leaders in financial services firms, including:

- retail, commercial and wholesale banks
- wealth managers and private banks
- regulators
- challenger banks, fintech and other industry disruptors

INDUSTRY SPECIALISTS

Whilst financial services firms have come under intense regulatory focus, many industries are facing similar pressures. We have worked with other industries to support them on their key regulatory challenges, and regularly draw on the expertise of our industry specialists across FTI Consulting – from banking to healthcare to energy.

WEALTH OF GLOBAL EXPERTISE

We serve clients internationally through our global network of offices across EMEA, Asia Pacific and the Americas. With access to FTI Consulting's wealth of leading experts, we can support clients' broader needs, such as:

- delivering original insights and implementing solutions that help improve company performance
- navigating complex regulatory requirements
- dealing with disputes
- communicating effectively with stakeholders

OUR PARTNERSHIP APPROACH

At FTI Consulting, we put clients at the heart of everything we do, which is evidenced by our:

- senior professionals' direct involvement throughout engagements
- collaborative engagement with staff across all levels, transferring our knowledge freely
- team's ability to identify issues quickly and ask pertinent questions
- use of tested methodologies, tailored to the specific situation
- clearly stated and prioritised recommendations
- rigorous internal quality control measures we use throughout an engagement

We work with clients to leave a self-sustaining legacy.

“Senior FTI leaders were actively involved throughout the engagement. What we liked most about working with them was their ability to **think strategically** and **get things done** operationally; sharing their knowledge freely along the way.”

Chief Executive Officer, FTSE 250 Wealth Management Firm

“They provided an **external perspective** on different operating models and validated our thinking on current gaps. Most importantly they reminded people of the consequences of not doing business in the right way by **offering factual case history** on financial crime risk.”

Head of Human Resources, International Bank

Service offerings

GRR focuses on four key service areas – those that firms find most challenging and where our experience and industry networks can be of most value. We address clients' known issues, respond to emerging regulations, work with clients to handle challenging regulatory interventions, and provide assurance for executive management.



Governance & Culture



Robust corporate governance is the cornerstone of prosperous, resilient firms. Boards and senior executives must establish their strategy and risk appetite, ensure executives fulfil their obligations and set the 'tone from the top' on culture and values. Our senior professionals have extensive experience of governance and culture garnered from their corporate careers.

OUR SERVICES

Evaluating corporate governance arrangements

- Reviewing board and executive committee effectiveness and the management information they receive
- Reviewing firm-wide corporate governance arrangements, considering organisational structure, role definitions and evidencing arrangements
- Reviewing risk management arrangements, including the operationalisation of the three lines of defence model

Designing and delivering education programmes

- Tailoring education sessions for boards, executive committees and individuals
- Facilitating discussion sessions on key board topics such as: role definitions, risk management and regulatory developments

Developing comprehensive governance programmes across the firm

- Developing board and board committee terms of reference, operating models and company secretary processes
- Implementing and evaluating programmes for establishing and maintaining compliance with the UK Senior Managers and Certification Regime

Enhancing cultural management and employee engagement

- Addressing issues identified through employee engagement and culture surveys – working with our in-house Employee Engagement team
- Designing and evaluating processes regarding employee selection, performance management, promotion and remuneration practices

CASE STUDY

We reviewed the existing corporate governance arrangements and implemented a new framework for a major European bank facing a recession, significant internal upheaval and wide-ranging regulatory changes. Our work included evaluating the effectiveness of the board; running one-on-one and group education sessions; reviewing the risk management framework; and assessing the three lines of defence model. As a result of the bank's clear focus on good governance, it emerged safely from the recession without needing bailout support, and was also awarded the nation's 'Best Corporate Governance' in 2015 by CFI.co.

“FTI...worked with us to design and implement a complete corporate governance framework, which was recognised by the “**Best Corporate Governance Award**” in 2015 by CFI.co. ...The team’s pragmatic and practical recommendations have helped **improve our bank** and its controls significantly.”

Chairwoman, European Bank

“The work they did, and the way they did it, was exactly as promised. They were **challenging yet supportive**, working in partnership with us throughout the engagement to review and adjust our processes, where appropriate. Their **approach was commercial** and recommendations were pragmatic.”

Chief Risk Officer, High Street Bank

Risk Management and Systems & Controls



It is increasingly important that boards and senior executives identify and establish appropriate systems and controls to manage their risks within the firm's risk appetite. FTI Consulting has extensive experience of evaluating, designing and embedding holistic programmes by risk area and overall business risk management programmes.

OUR SERVICES

Analysing and improving risk management systems and controls

- Understanding and evaluating business strategy and related risk appetite for alignment and appropriateness
- Evaluating the holistic risk management programme using tested models
- Reviewing the effectiveness of the three lines of defence arrangements
- Reviewing the roles and responsibilities of risk management functions
- Evaluating the competency, activities and impact of compliance and risk functions
- Conducting deep dives on specific risks and topics, e.g. LIBOR, new product design
- Reviewing risk management governance arrangements, including management information and escalation processes

Preparing firms/relevant groups for regulatory interventions

- Conducting pre-intervention end-to-end reviews of specific business or risk areas
- Preparing for board and senior persons interviews, subject matter deep-dives, thematic reviews and UK s166 reviews
- Evaluating materials for submission to regulators

Assessing financial and capital impacts of risk

- Working with our economic consultants to quantify any aspects of risk – capital, liquidity and other valuations
- Working with our technology and data analytics specialists to identify any underlying issues by capturing information and analysing transactions

CASE STUDY

We reviewed the regulatory risk management programme of a wholesale firm, which identified major gaps requiring remediation. This involved creating an inventory of applicable regulations; providing a risk assessment; establishing a monitoring and surveillance programme; designing education materials; and board/executive reporting. As a result, the firm was able to understand and manage its risks more effectively and efficiently.

Retail & Wholesale

Conduct Risk



The financial services industry must restore the confidence of customers and investors that was eroded as a result of recent scandals. Firms are expected to embed systems and controls that makes customer interests central to all they do and maintain the integrity of the industry. We support clients in achieving these goals and ensuring employees protect their firms' reputations.

OUR SERVICES

Developing and assessing conduct risk frameworks

- Assessing a firm's business model and whether potential conduct risks are identified
- Reviewing end-to-end conduct risk management programmes and recommending enhancements
- Evaluating the controls for identified key risks
- Reviewing management information regarding conduct risk and considering what risks are missing, how this links with operational risk data and how behaviours are measured
- Evaluating conduct risk governance arrangements for efficiency and effectiveness

Advising on key areas of conduct risk

- Suitability
- Fair treatment of customers
- Complaints handling
- Best execution
- Conflicts of interest
- Transaction reporting
- Pre- & post-trade transparency
- Financial promotions
- Market infrastructure
- Vulnerable customers
- Other areas subject to pending regulatory change (e.g. MiFID II)

Financial benchmarking

- Developing processes that ensure compliance with global requirements
- Reviewing and assessing benchmark submission policies and procedures, and evaluating oversight arrangements

Monitoring and surveillance programmes

- Evaluating existing programmes and recommending improvements based on market knowledge
- Developing new tools for testing controls or performing specific transaction tests using structured and unstructured data

CASE STUDY

We seconded staff to a wholesale firm to fulfil ongoing compliance monitoring responsibilities. Our team suggested changes to the work programme, including minimising the number of tests and focusing on outcomes rather than activities. This reduced the client's costs significantly and improved the effectiveness of the monitoring programme.

Financial Crime



With unprecedented regulatory scrutiny, firms need a robust financial crime risk management programme that proactively addresses anti-money laundering, counter terrorist financing, financial sanctions, anti-bribery and corruption, and fraud. We help clients identify and assess risk, respond to evolving regulation, react to regulatory action and enhance existing programmes.

OUR SERVICES

Reducing risks of financial crime and reputational damage for clients

- Conducting risk assessments and designing tools tailored to legal entities, lines of business or geographies
- Reviewing financial crime risk management programmes to evaluate their effectiveness
- Reviewing and designing policies and procedures, client risk assessments and monitoring tools
- Designing and delivering education programmes
- Developing and executing remediation programmes
- Reviewing governance arrangements and related management information

Working with and supporting regulators

- Investigating potential wrongdoing and managing the regulator relationship through that process
- Preparing clients for onsite regulator visits, thematic reviews, interviews, investigations and attestations
- Conducting FCA/PRA-mandated s166 reviews
- Serving as an independent monitor under US and other regulator driven programmes
- Conducting comprehensive reviews of past business transactions

Drawing on experts across our global network

- Mobilising expert teams quickly from across our global offices to execute multi-jurisdictional engagements

- Providing a multi-disciplinary team, including former heads of financial crime and money laundering reporting officers, ex-regulators, forensic investigators, data analysts and e-discovery experts
- Offering market-leading global capabilities to help clients respond effectively and efficiently to financial crime risks

CASE STUDY

We assisted a UK bank in addressing regulatory concerns about its client risk assessment and on-boarding procedures, including those for PEPs. We reviewed documents, interviewed staff and implemented numerous changes to their programme in advance of a FCA attestation. This enabled the client to enhance its systems and controls to better manage financial crime risks.

Our wider financial services capabilities

At FTI Consulting, we are home to world-class economists, former policy makers and regulators, forensic specialists, technology professionals and communication experts – all with extensive financial services experience. In an industry facing ever-changing regulation, enforcement actions, economic challenges and litigation threats, our team is uniquely positioned to provide a broad array of assistance aimed at protecting and enhancing our clients' reputation.



REGULATORY CHANGE & INVESTIGATION

- Advising clients of **regulatory expectations**
- Reviewing **systems and controls** for specific areas of concern
- **Regulatory and shadow** investigations
- Executing UK regulator **s166 reviews** and supporting clients subject to them
- Reviewing **governance, culture and conduct risk**
- Supporting clients and regulators on **financial crime risks**
- Valuing **assets** and **stress testing**
- Advising on **risk and capital modelling**
- Remediating and redressing **past business**



INVESTIGATIONS, DISCOVERY & ASSURANCE

- Investigating **whistle-blowing** allegations
- Conducting **anti-bribery and foreign corruption** (Foreign Corrupt Practices Act/UK Bribery Act) and **political risk** assessments
- **Tracing** assets
- Conducting **market abuse** investigations
- Performing **e-discovery** on structured and unstructured data using Ringtail, FTI's document review platform
- **Accounting advisory** services



LITIGATION & DISPUTE SUPPORT

- Supporting **in-house lawyers** and **external legal teams**
- Providing **expert opinions** on valuations, accounting and professional negligence
- Using various tools to **analyse structured data sets** of any size to establish patterns and anomalies
- Advising on and analysing **competition issues** and **market abuse**
- Performing **economic consultancy** and **statistical analysis** to support dispute resolution



COMMUNICATIONS & CRISIS MANAGEMENT

- Working with boards and senior management teams to **engage with the investment community** and cultivate a shareholder base
- Delivering **credible and consistent messages** to priority stakeholders
- Providing **strategic counsel** to management teams in mergers and acquisitions and special situations
- Providing **public affairs advice** for clients navigating the intersection between market forces and public policy
- Conducting **strategy consulting and research**, delivering in-depth market and stakeholder analyses



SUPPORTING TRANSACTIONS

- Conducting financial, operational and vendor **due diligence**
- Advising on **transaction tax, VAT** and **transfer pricing**
- Providing **fair value opinions** and valuation services
- Implementing **post-transaction integration** and performance improvement
- Advising on and implementing **debt restructuring**
- Offering **portfolio advisory services** for the buy-side and the sell-side



FINANCIAL & OPERATING EFFICIENCY

- Supporting on **business reorganisations**, planning and transformation
- Advising on asset migration and **“bad bank” structuring**
- Reviewing **Target Operating Models**
- Reviewing and remediating **supply chain management**
- Advising on **performance improvement** and cost reduction
- Reviewing and remediating **business processes**

Why FTI Consulting for **Governance, Risk & Regulation?**

As a leading independent consulting firm, clients benefit from our exceptional advisory support, bespoke approach, and deep regulatory and industry insights.



The strength and depth of our financial services experience enables us to deliver business-focused, practical advice and support that reduces demands on management.



We leverage our technology team's expertise and IT solutions, including our market-leading e-discovery platform, Ringtail, for engagements covering data governance, data analysis and monitoring.



Our integrated, multi-disciplinary team comprises a mix of skilled specialists who can draw on the wider expertise across FTI Consulting.



Recognised for our long service to the compliance industry at the Thomson Reuters 11th Compliance Awards 2015.



With ready access to our team, including senior team leaders, we deliver the insight and assistance clients need both during and after the engagement.



Being independent from auditing relationships, we are uniquely positioned to give impartial advice and assistance.



Recognised as having the **deepest and strongest capabilities in Forensic Investigations**

About FTI Consulting



● FTI Consulting offices

Advisor to the
world's top 10 bank
holding companies

\$1.4BLN equity
market capitalisation*

Combines unparalleled
expertise and **industry
knowledge** to address
critical challenges
for clients

With over **4,600**
employees, including 25%
in EMEA, and offices in **28
countries**, our breadth
and depth extends across
every major social,
political and economic
hub **around the globe**

We are a **global advisory
firm** that provides multi-
disciplinary solutions
to **complex challenges
and opportunities**

47 of **Global Fortune
100 corporations**
are clients

Advisor to **92** of
the **world's top
100** law firms

Our largest industry groups are:
Financial Institutions & Insurance; Energy,
Power & Products; Healthcare & Life Science;
Real Estate; Retail & Consumer; and Telecom,
Media & Technology

Trusted advisors
serving clients globally
with **diverse expertise** and
exceptional credentials
including financial services
executives, accountants,
economists, former CFOs
and strategists



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About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centres throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring.